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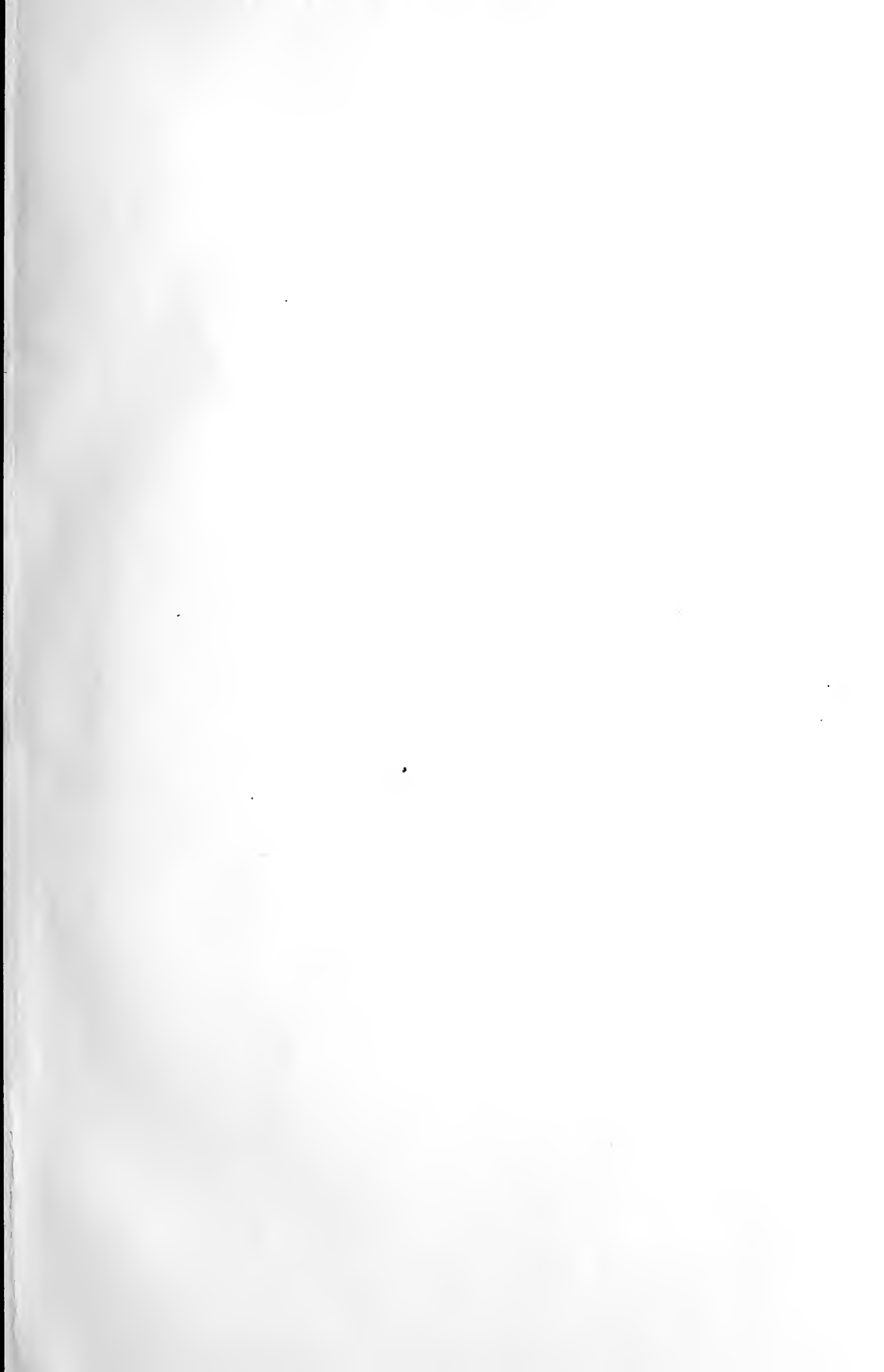
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**SOME COMMENT  
ON  
GOVERNMENT OWNERSHIP  
OF  
TELEPHONE  
PROPERTIES**

**A Paper Read by Mr. F. H. BETHELL,  
Vice-President New York Telephone Co.  
Before *The City Plan Association* of  
Albany, N. Y., February 25th, 1914**



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JUN 22 1914





# Some Comment on Government Ownership of Telephone Properties

A paper read by Mr. F. H. Bethell, Vice-President of the New York Telephone Company, before the City Plan Association of Albany, N. Y., February 25, 1914.

*Mr. Mayor, Mr. President and Gentlemen:*

It is indeed a pleasure to be presented to you by your very excellent Mayor, and it is a compliment to have here at the table with me in addition to the Mayor of Albany, his Honor, the Mayor of Poughkeepsie, and the Honorable, the Chairman of the Public Service Commission, Mr. Decker.

Here is a question that no man can set aside as one that does not concern him. It is a great question of public policy that concerns vitally every taxpayer, indeed every citizen, of this country. There is being aggressively advanced at Washington the proposition that there be changed in this nation a public policy that is as old as the nation itself.

## THE AMERICAN POLICY.

The American policy fixed by the fathers has always been that the individual should do everything that individuals can do. This policy when set up against the European policy, that the Government shall do everything that Government can do, shines out gloriously as the policy that has produced a nation such as the world had never known before—a democracy, a civilization—that has challenged the admiration of the world.

Approached as a theoretical question, it is debatable whether or not under our form of government (having in mind at all times the American notion as to the functions of government) the so-called public utilities should be owned by government or by individuals; individuals banded into corporations, if you please, amenable to the laws and regulations established by government.

Sober reflection, I am inclined to believe, will take many of you, as it has taken me, to that great body of our citizens who hold that even in theory the government cannot justify a departure from past practices so radical as is contemplated by those who advocate government ownership.

## A PRACTICAL PEOPLE.

But we are nothing if not a practical people; and it is the practical, and not the theoretical, side of the question that we are going to consider.

## POSTALIZATION.

"Postalization" is a new word. It can be found in no dictionary within the reach of the ordinary man. It was coined, no doubt, by the man in Congress, Mr. Lewis of Maryland, who would turn the wire service of the country over to the Post Office Department.

The postal service—the service that is pointed to as the evidence to prove the government's ability to handle the wire service—is, I believe, efficient (some do not agree with me), but what is Postal Service? The Post Office performs but a very small part in the country's mail service. The transportation of the mails is in so great a measure handled by the railroads and steamship companies as to render all other mediums almost if not quite, negligible. In many communities the citizen must go to the post office both to send and receive his mail. The postmaster does little more in getting mail to and from his office than does the messenger boy in collecting or delivering telegrams. The Post Office Department does not own even the post office buildings it occupies; the mail cars belong to the railroads; the pneumatic tubes, in cities like New York, and even the mail wagons, are owned and operated by private companies.

The Post Office here at Albany receives mail and delivers it just as the American District office receives telegrams and delivers them. The mail is brought to the post office from distant parts through agencies that the post office neither owns nor controls, just as telegrams come through agencies not owned by the American District. In a word, the Post Office is the A. D. T. of the transportation companies.

### THE TELEPHONE SERVICE.

Telephony needs no such auxiliary organization to perfect its service. The telephone itself, at every man's elbow, holds ready for delivery the message that comes over hills, under rivers, across mountains, and through great central offices; or takes for delivery the message and delivers it directly into the ear of the person for whom it is intended. I submit, sirs, that there is nothing in the postal service analogous to this.

The Bell Companies alone own and operate, in connection with its business, equipment to the value of \$765,000,000. The construction and operation of the vast and complex telephone system is an entirely different problem from collecting and delivering the mail.

The telephone, as was pointed out by his Honor the Mayor, is essentially American. It was invented here, has been improved here, and its uses have been developed here as nowhere else on earth.

To illustrate the extent to which it has been developed, I direct attention to the fact that though the industry is truly one of the infant industries of the country, it has grown to such proportions that according to reports of the United States Census Office it is the fourth largest industry we have in investment per capita, yielding only to Iron and Steel, Lumber and Timber, and Gas and Heating industries.

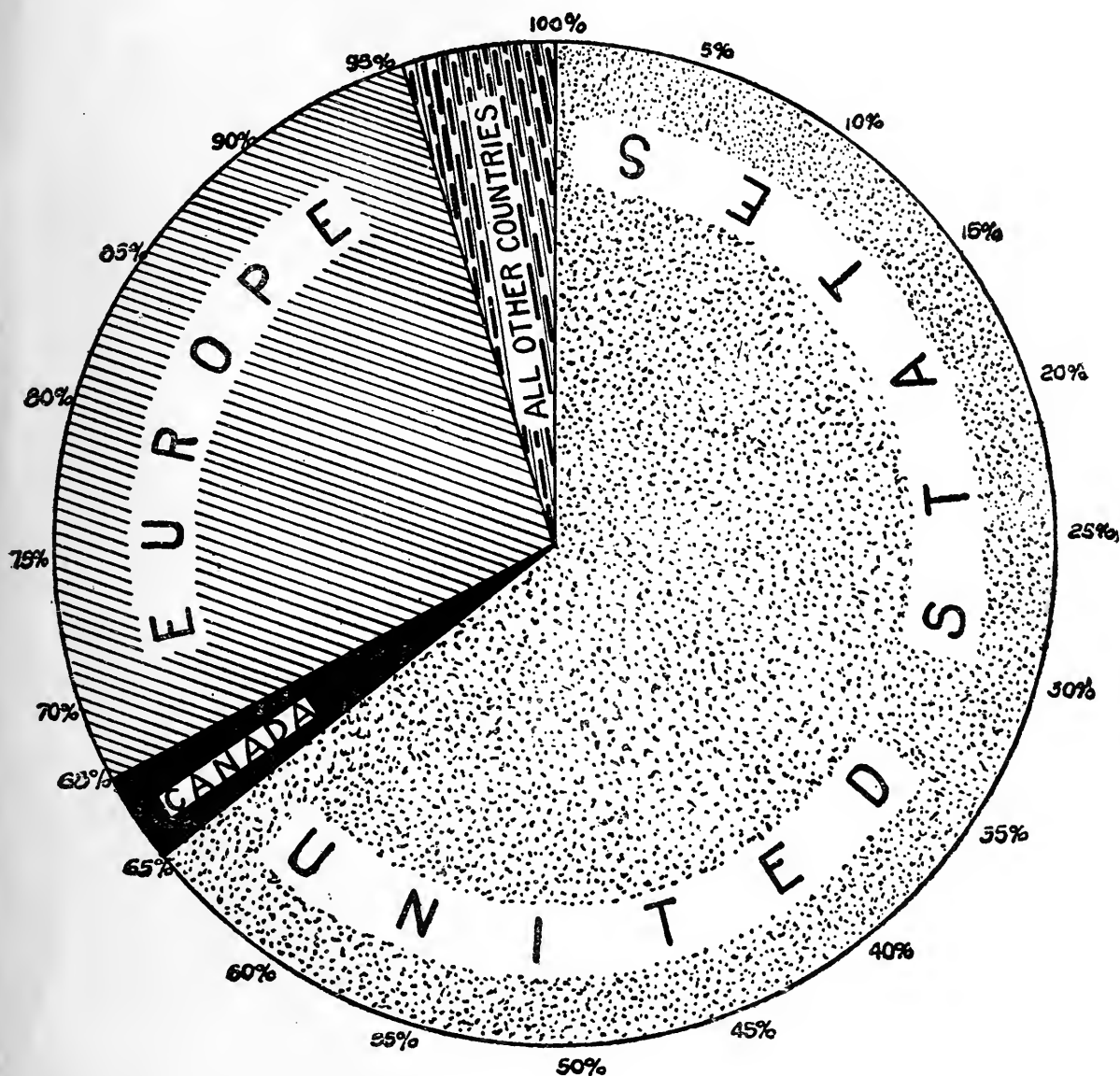
Such is the magnitude of the industry it is proposed to turn over to the government. Some quarter of a million workers are now enjoying the full benefits of the sick, accident, insurance and pension plans adopted for them by the companies. It is now proposed to transfer these workers bodily to the government pay roll and in the transfer compel them to surrender all the benefits that long and faithful service has brought to them.

# DISTRIBUTION OF THE WORLD'S TELEPHONES

JANUARY 1, 1913

13,816,000

(Partly Estimated)



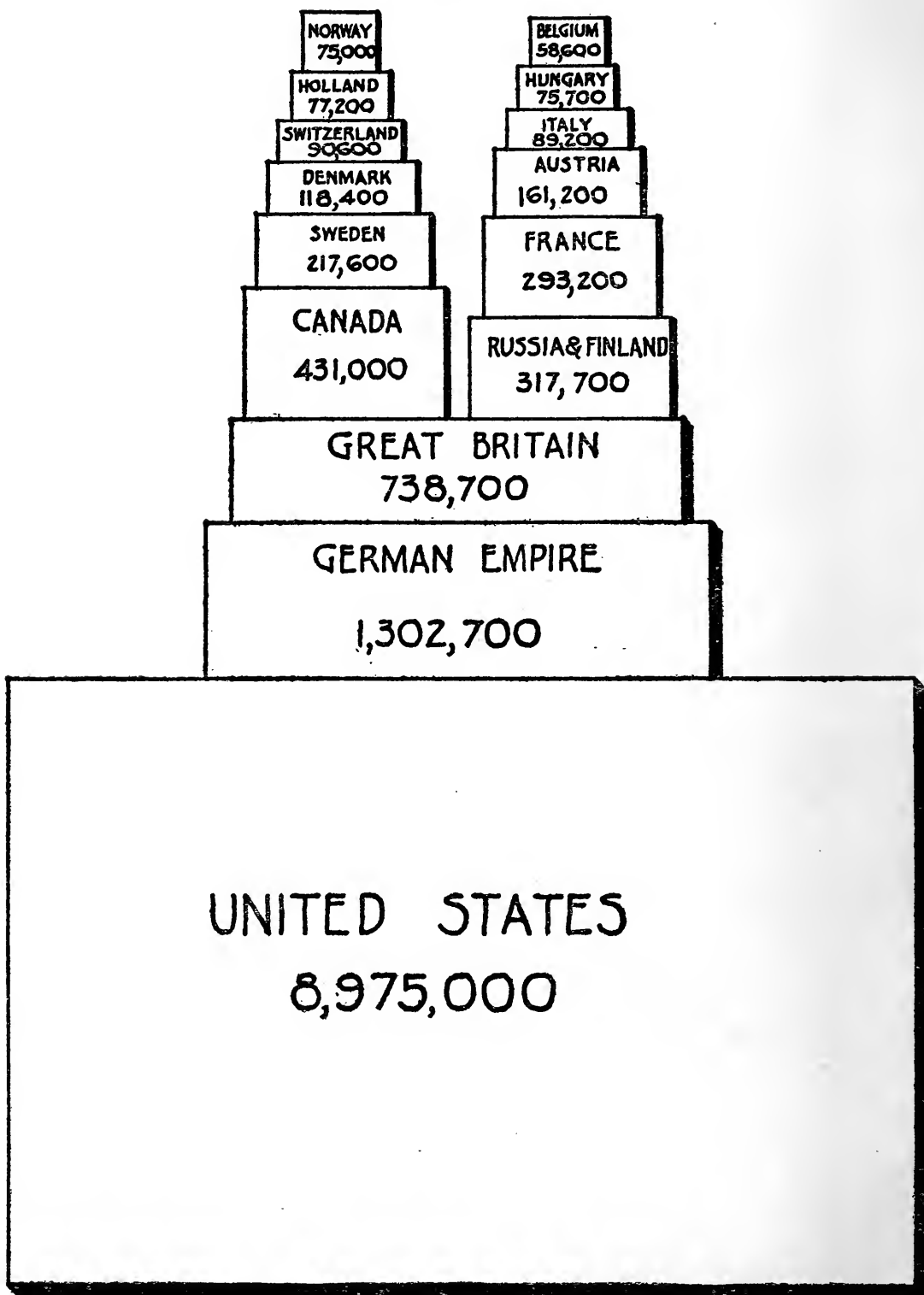
## FORM OF GOVERNMENT.

Is our form of government a better form of government than can be found elsewhere? The answer made by all of us, including that vast number who have come here from other countries, and who are coming here on practically every ship that comes to our shores, is that it is. It is better because it offers opportunities to the individual to develop himself while he is developing the country's resources, and because it insures freedom while it protects life and property. It has left the development of the nation's resources to private enterprise and that very fact has prevented the stagnation that obtains in other countries. There is no instrumentality on earth that does more to promote business, to extend civilization, and to make possible our present-day standards than the telephone. And it follows then that private enterprise here has done far more to extend these things to the people than has public ownership abroad.

# TELEPHONE STATIONS

## COMPARING THE UNITED STATES WITH EUROPE

JAN. 1, 1913



Do you know that in Tokio there are applications for telephone service from upward of 30,000 people who cannot be served because the government is not equipped to serve them? Telephone subscriptions are dealt in regularly on the Stock Exchange and bring a handsome price. There is no question that a congestion similar to this would with government ownership come into the service here. Only a few days ago the head of the telephone department of a European government said to us: "It is only when the telephone facilities that have been provided for a new territory have been used up that it is possible to apply for a government appropriation for additional facilities. These applications have to pass through the hands of several government departments and finally reach Parliament, where the question is debated at length, and the time when the money is granted is always uncertain, depending largely upon the existing political conditions. After the money has been appropriated, the new lines or new buildings that are required have to be constructed. In the meantime, the old central office is overloaded with traffic, and of course this interferes with the quality of the service which the operators can furnish."

### BUILDING IN ADVANCE OF REQUIREMENTS.

Here in America we plan ahead. We study the probable growth and build our plants in advance of the time when the facilities will be needed.

The Bell System plans to spend \$60,000,000 in 1914 in extending its lines and plant. Since work began on the Panama Canal in 1904, the Bell System has spent more money in extending its lines and plant than the United States Government has spent to dig the big ditch and buy the right of way.

Would Congress duplicate the appropriations for the Panama Canal every ten years for the purpose of extending the telephone and telegraph service? No country owning its wire service has ever made anything approaching adequate appropriations for the purpose.

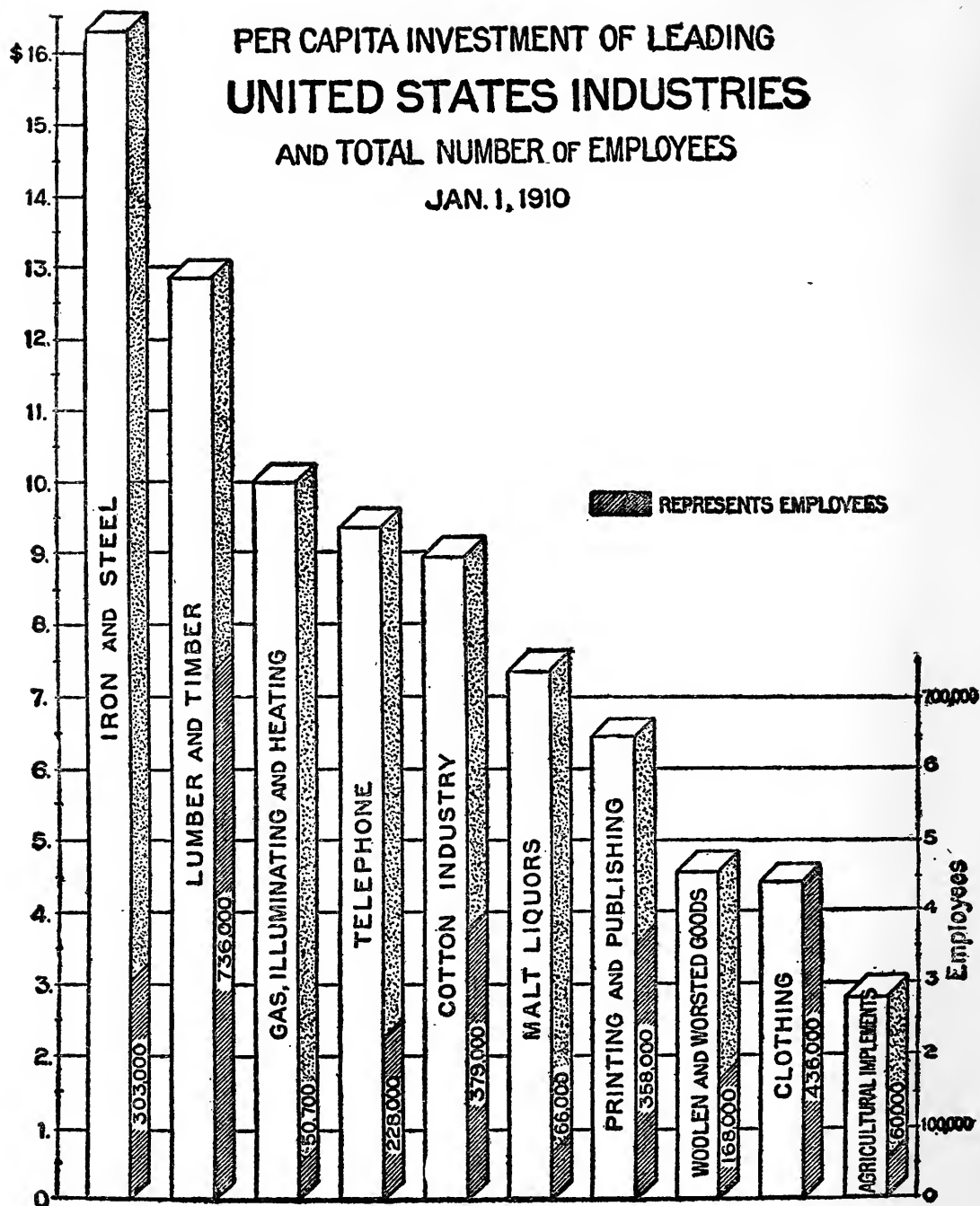
### FINANCING THE PROPOSITION.

At the outset, a federal bond issue of approximately Two Billion Dollars would be required to purchase the telephone and telegraph systems.

The federal government, it is stated, can borrow money at 3 per cent. Its present 3 per cent. bonds are selling around par only because the issue is small. A federal bond issue of Two Billion Dollars would be likely to run the credit of the government down to a 4 or even a 5 per cent. basis.

It is for similar reasons that 3 per cent. French Government bonds sell at 82, and 3 per cent. German Government bonds sell at 76.

The national debt of New Zealand, due to such socialistic ideas as are involved in the government ownership proposition, is \$400.00 per capita. At the same rate, the national debt of the United States would be Thirty-Nine Billions, instead of One Billion Dollars. We would become a debt-ridden country taxed to our eyelashes to meet interest and sinking fund charges, and this in addition to having forced upon us a debased, an inefficient, and an inadequate wire service.



### TAXES.

Now a word about taxes. During 1913 the Bell System alone paid \$12,000,000 in taxes to the federal government and to the various states and municipalities.

The government pays no taxes, not even on its real estate.

Government ownership would mean that the \$12,000,000 now contributed by telephone companies to the government and to the various cities, towns and villages, would have to be raised by additional taxation of the **whole** people, whether they are telephone subscribers or not.

In New York State alone taxes paid by the New York Telephone Company last year averaged about three dollars for every telephone in service. The city of Albany received last year directly from the Company about

\$12,852.00, and indirectly the city received some part of the \$336,000.00 in taxes paid by our company to the State. The New York Telephone Company paid to municipalities last year approximately \$2,000,000.00, while to the federal government it paid \$107,677.00. The income tax law will materially increase these taxes paid to the United States. Deficits in government owned systems must be met by taxation of user and non-user alike. All would have to help pay for service used by some of the people.

### COST OF SERVICE.

In comparing cost of service here and in Europe, advocates of government ownership make no mention of the absence of taxation in the case of European government systems or of the deficit resulting from operations. (The British service alone last year showed a loss of \$5,700,000.) Nor do they refer to the character of the service nor to wages, hours of employment, and other conditions of labor.

Even ignoring these very important factors, the cost to the public here and abroad is about the same, as the following figures for the years 1911 and 1912 compiled from official sources, show:

	<i>Toll and Exchange Earnings Per Station:</i>	<i>Exchange Earnings Only Per Station:</i>
Average State owned in 7 leading Euro- pean countries .....	\$36.89	\$26.78
Average Bell Companies .....	40.14	30.93

Deduct taxes and make allowance for difference in purchasing power of money here and in Europe, and Bell rates will probably average lower than rates charged abroad.

Ours is a twenty-four hour service. Central offices manned at all hours to take whatever traffic is offered, is what our people are accustomed to; what, in fact, they demand.

In the state systems of Europe it is the rule to close up at night. The service is actually dead, there is no service at all in a very great many of their exchanges.

### TOLL RATES.

It is like comparing peaches with prunes to attempt to compare our toll rates with toll rates in government owned systems abroad. Measured by our standards for accuracy and rapidity and for development, there can hardly be said to be any toll service in those government owned systems.

A long distance call in France can be made only after arranging for an appointment. A time is set for the call. If not on hand, the subscriber loses his place in the appointment list and must make a new appointment. If he exceeds his time limit, the connection is cut off while he is still talking. In many countries if a business man wants "special service," which compares to our regular long distance service, he pays three times the regular toll price.



A Frenchman wishing to make an appointment toll call recently had to rise at six o'clock in the morning in order to get a good position on the appointment list. On another day he sought the appointment a few hours later and was confronted with a 14-hour delay. That, I submit, Mr. Chairman Decker, would be a fine thing to attempt to defend before your Commission.

And yet in a speech delivered in the House of Representatives on January 16th last, by the Honorable David J. Lewis of Maryland, the following appears:

"The telephone long distance rates \* \* \* run from four to eight times the rates prevailing on the Continent of Europe."

In support of this statement, the honorable gentleman produces a table, which table appears in the printed copy of the speech which I have read. The table as printed shows that for a 25-mile haul the Bell rate here is 25 cents against an average of 7 cents in Europe. For a 700-mile haul, the average is \$4.20 here against 45 cents abroad. The table shows, however, that there are only three countries in Europe (Sweden, France and Germany) where a 700-mile haul is provided at any rate. The first 900-mile line was put in service less than two years ago, while on this side of the water, the 1,000-mile, Chicago-New York long distance line, was opened twenty years ago, and two years ago we bridged the 2,100-mile gap between New York and Denver.

### **PURCHASING POWER OF MONEY.**

In considering this matter we must not forget that the purchasing power of the dollar here and abroad is not the same. Representatives of the telephone department of a European government, studying conditions here, stated a few days ago that the rate of \$60.00 per annum for telephone service in their country was approximately a rate of \$150.00 here. While this comparison may be a trifle overstated or understated, we all know that there is a marked difference. This for the obvious reason that labor and materials are very much cheaper abroad than in this country. The working day in Europe is a longer day than is the working day here, and the wage scale does not begin to approach ours.

### **CHARACTER OF SOME GOVERNMENT OWNERSHIP ARGUMENTS.**

In an effort to show that our Post Office is the most efficient in the world and our telephone system less efficient than some of the government owned systems in Europe, Mr. Lewis resorts to the most amazing use of statistics.

The total number of pieces of mail is divided by the total number of government employees in the various countries. He utterly ignores the fact that a large part of the work of handling the mail in this country is done by employees of contractors, while abroad it is handled by the post office employees directly. Naturally, it is not surprising that the number of pieces of mail handled per government employee is greater here than abroad.

The method of using the telephone statistics is equally astonishing, even assuming that the statistics themselves are correct. The total number of

messages, say in Norway and this country, is divided by the total number of employees, not only operators, but men engaged in building pole lines, conduits and other construction work, agents engaged in soliciting new business, and a large maintenance force looking to the upkeep of the property—something sadly neglected in government owned systems.

Again, the method of computing calls may vary widely. In some countries every request for a telephone connection is counted; in others, if a subscriber has talked three minutes and wants to continue the conversation he has to get another connection when he can, and this is again counted; some countries also count the message going through two exchanges as two messages, one for each, although it would be one and the same conversation. Some countries compute the number of calls per subscriber's line; others, the calls per telephone station. In American statistics only actually completed connections are counted, and the same conversation is counted only once, no matter how many exchanges it may pass through, or how long its duration. Of course, in all of this talk about efficiency, not one word is said about the quality of the service rendered. The American idea of efficiency is that the operator be waiting to serve you—not you waiting for the operator. While talking of the efficiency of government service, I might refer you to other branches of government activity. Turn to the current issue of "Everybody's Magazine," and observe there what Mr. William Hard writes of the Patent Office. Here are a few of his conclusions:

"The (Patent) Office is undermanned, underpaid, under-equipped, and vilely housed, thwarted in its supreme service to American business and even perverted from that service by the costly economy of the Congress of the United States.

"The money Congress ought to spend and does not spend in the Patent Office is one of the heaviest burdens it lays on the business of the country.

"The building in which the Patent Office is located is so bad that the Commission on Economy and Efficiency said: 'Any permanent improvement in the work done by the office must wait upon the provision being made for adequate office accommodations.'"

Mr. Lewis in his speech presented many statistical tables, statistics that must be presumed to be correct in that they were presented by a responsible law maker in an effort he is making to secure legislation that will, if carried to its logical conclusion, bring about absolute paternalism in this great government of ours. And yet his statistics are so inaccurate, so biased, so unfair, as to amount to an outrageous imposition upon Congress and upon the country.

We find him quoting \$228.00 per annum as the rate charged for business Individual Line service in New York City, leaving it to appear that that is the only rate charged. The fact is more than 50 per cent. of the subscribers pay \$48.00 or less per annum, while less than  $\frac{1}{2}$  of 1 per cent. pay as much as \$228.00 for that class of service. He also quotes the rate in Trenton, N. J., as \$36.00 per year, and implies that this low rate is due to

competition. As a matter of fact, gentlemen, Trenton has the same schedule for Bell service as has Albany—\$36.00 for 600 calls, or \$60.00 for unlimited service. He cites the rate in Washington as \$168.00. This rate, as in the case of New York, just referred to, is for a very large number of messages, and is paid by a very small minority of subscribers, the great majority getting service at rates much below his figures.

Here is another example of the "statistics" quoted by Mr. Lewis. He has spoken so frequently and so warmly of the efficiency and the low rates of the telegraph service in New Zealand—twelve words for 12 cents—that I was interested, and desiring to know the actual conditions, inquired by cable of a reliable source. Here is the cable I received in reply:

"New Zealand Government Tariffs for telegrams within New Zealand are—(A) for urgent messages, one shilling [that is 25 cents] for twelve words or less, additional words one penny [that is 2 cents]; (B) for ordinary messages, sixpence [12 cents] for twelve words or less, additional words one half-penny. Address and signature counted and charged for."

In this country, you know, of course, there is no charge for address or signature. Hastily drawn conclusions, you see, may be very misleading. New Zealand evidently is Utopian only when viewed from a long distance. I remember several years ago the Chief of the Department of Posts and Telegraphs at Wellington spent some time with us in New York City, studying our methods. He spoke most admiringly of our telephone system; referred to it as the best service in the world, and regretted that because of government handicaps, he was unable to put into practice some of our methods. Particularly was he interested in the manner in which we were extending the service by means of our selling organization, combining an aggressive canvassing and advertising policy. It would be beneath the dignity of the government he said, to solicit business from the public.

Only a few days ago, Bertram Shadwell wrote a letter from far away Mandalay in Upper Burma, in which he described his experiences on the government-owned railroads of New Zealand. Instead of the remarkable railroad efficiency he had been led to expect, Mr. Shadwell declared that he found that trains ran at inconvenient hours; that waits of from twelve to fourteen hours at desolate junctions for so-called express trains to important points were frequent; that bad food, poorly ventilated and wretched sleeping cars, and exorbitant excess baggage charges were his lot. He also stated that from midnight on Saturday until midnight on Sunday, the whole railroad plant lies idle.

In the "New York Sun" of February 17th, Albert R. Gallatin wrote:—

"Since the French Government took over the Western Railway its service has depreciated and the number of employees has greatly increased. New Zealand purchased the railways with 4 per cent. bonds and the investment under government ownership has never returned more than 3 per cent. The service is also miserable. The Italian Govern-

ment is planning a large loan to reconstruct its railways, which are a joke. It has just come to light that \$40,000,000 has been wasted by the Canadian Government in building the eastern extension of the Grand Trunk Pacific. The Intercolonial Railway is operated at a loss. The Prussian Government grants special rates to the Silesian mine owners in order to compete with Welsh coal at North Sea ports. The Panama Railroad, controlled by the United States Government, charges more for service than any other railroad in the world. The New York Municipal Ferry annually shows a deficit.

"In spite of the fact that the Post Office Department charges no interest against its investment and is underpaying the railways for carrying the mails, it is trying to advance the rate for carrying magazines; another branch of the government is attempting at the same time to prevent an advance in rates on our privately owned railroads, which are under the necessity of remaining solvent. The telephone and telegraph systems, under private management in this country are vastly superior to those owned and operated by the government in England and on the Continent.

"Are these facts which I have cited to be advanced as arguments in favor of government ownership of public utilities? Favoritism, rebating, graft, inefficiency, financial loss and depreciated service are everywhere the result of government ownership of railroads, telephones and telegraphs. Will this country profit by the experience of others? I am inclined to think it will."

### A TELEPHONE IN EVERY HOME.

Mr. Burleson and Mr. Lewis both urge that Government ownership would extend the telephone to every man's home. Yet both propose that those small companies many of them guided and assisted by the big commercial companies which have extended and are extending their services through the sparsely settled sections, should be left alone. In other words, while they say there ought to be a telephone in every man's home, they are willing to leave it to private enterprise to place the telephone there. Has the government really extended its postal facilities to every man's home? How many of you touring through the country have not seen at a fork from the main road a cluster of post boxes. The country folk, living for many miles down that side road, are compelled to maintain a box on the rural delivery route because there is no such route by their doors. The Bell system today reaches more than 5,000 places where the government does not even have a post office. The rural telephone development in this country is something quite unknown in European countries. Some years ago, there was an International Balloon Race from St. Louis eastward, and the British competitors came down in a farmer's yard in Ohio, miles from a railroad station. One of the aeronauts expressed his surprise that there in an ordinary farmhouse, he should find a telephone ready to transmit a message to the next neighbor, a telegram to New York, or a cable to his family in England. This universality of the telephone is so much a matter of course with us that we do not realize the effort that has brought it about. As one who spent a good

part of his apprenticeship with the Bell selling organization and as one who has kept in close touch with that selling organization, let me assure you, gentlemen, that it did not, like Topsy, just grow. Every telephone put into the American farm-house and every other home, for that matter, stands for aggressive, skilful selling.

### THE REPORT OF THE POSTMASTER GENERAL.

The report submitted to Congress by Mr. Burleson contains many evidences of lack of knowledge. You will remember it was stated in that report that the telephone buildings need not be purchased because the telephone plant could be easily moved into the Post Offices and one building accommodate both services. You all know something about the accommodations in your Post Office here in Albany. I should like to have you view our buildings, go through our various Central offices, look over our apparatus, and then decide for yourself the reasonableness of Mr. Burleson's statement.

In Albany we are now occupying eight buildings, containing thirty-eight thousand square feet of floor space, and, as you know, have planned, and are now building a magnificent ten-story building to take care of what we consider will be Albany's need for telephone service in the future. I have had bound in the printed copies of this paper a diagram showing a typical telephone building. It is of our Spring Exchange in New York City, and is one of fifty-six such buildings in that city. If you but glance at this diagram you will see the absurdity of the really seriously suggested proposition that our plant and equipment be transferred to the already over-crowded post office buildings. The "Newburgh Journal," commenting on Mr. Burleson's plan, says:—

"Here in Newburgh, the present post office building is inadequate for the postal business only, and to suggest that the equipment now in the telephone building, a structure larger than the post office, could be housed in the cramped quarters of the post office certainly has elements of humor. If the committee which favors the absorption by the government of the telephone and telegraph lines has as much real practical knowledge of the postal department as it has of these great public utilities, it is no wonder the postal department pays no dividends."

### SOME EXAMPLES.

The same siren songs we are now hearing from government ownership advocates were sung several years ago to the British public. The service was to be better—rates less—working conditions improved. The awakening has come. The service is worse. Employees are threatening a general strike because of miserable pay and poor working conditions, and the Postmaster General is apologizing to the public for failure to make any reduction in rates. Our neighbor, Canada, has had the same experience. On January 1st, 1908, the Province of Manitoba purchased the privately owned telephone system. Though the Premier and Attorney General had promised better service at half cost, the actual results were that within two months

after the government took over the service, the rates in the city of Winnipeg for certain classes of service were increased 25 per cent. Then in succession came the introduction of inferior party line service, an increase in the long distance rates and a decrease in the time limit, and a general increase in exchange rates throughout the province. In spite of the increases in rates, the chairman of the telephone commission reported in November, 1911, a loss for the year of \$150,000, without making any provision for depreciation. The "Montreal Gazette," in commenting upon this condition of affairs, said:—

"It is not well to put the cost of a personal service for  
some of the people upon *all* the people."

Here in America also, we have tried government ownership. After fifty years of political management, North Carolina leased its railroad lines to a private company. Maryland sold what was left of the Western Maryland Railroad about eight years ago; and Texas is now trying to unload its road upon some private company. Not only were these roads financial failures, but they utterly failed to adequately serve the public. And the railroad now operated by the United States Government in the Canal Zone charges the highest rates in the world for similar service.

You, gentleman, recall the recent newspaper statements that \$40,000,000 had been needlessly expended in building a government railroad in Canada. A private enterprise builds better and cheaper than the government. This is a well known fact, and it is one reason why our battle-ships are built by private concerns. We build our telephone systems cheaper here in America than the governments do in Europe, although our equipment is admittedly better and the cost of labor and of material is higher here than abroad.

I show here a table of investment per telephone, both here and abroad:—

	<i>Average Investment Per Station</i>
In six European countries—1912.....	\$197.00
In the United States (Bell System)—1913.....	143.00

Even Mr. Lewis pays tribute to the soundness of our financing—admitting there is no overcapitalization of the Bell system.

To my mind, gentlemen, it is a question of service and of rates. Admittedly, we are giving you the best service in the world. Our telephone system is regarded as a model, and experts come from all over the world to study it. It is the admiration of every visitor, and our strongest supporters and admirers are those Americans who have tried the government owned systems abroad. As an example, here is a letter from a Philadelphia business man, residing this winter near Nice, France, to an American newspaper:—

"I feel satisfied if any of the gentlemen who are advocating government control of the telephone and telegraph lines in the United States would come and live in France for a few months, that he would pray for any ownership rather than that of the government."



The best possible telephone service is what the American people demand. You business men of Albany would not tolerate the Hungarian or the English service at any price. The progressiveness of American business men is recognized the world over. The progressive American never goes back to the ox-cart when a wagon is available, or to a wagon when a motor truck is available. He believes in individual enterprise and he practices more than any other man in the world, the slogan that "time is money." And yet government ownership advocates are comparing the "ox-cart" telephone service of European countries with the "motor truck" telephone service of this country, as if on an equal footing.

### **COST OF LIVING.**

It seems to me that a very telling example of the efficiency shown in the management of this great privately owned telephone system, which is today the great nervous system of our business world, appears in a diagram bound herein that shows that while the necessities of life, the food stuffs, have gone up tremendously in price, telephone rates have steadily gone in the other direction.

### **PRIVATE GAIN.**

I have watched the telephone business in its great growth in this country, and I can say that I have never seen anything to suggest that the great developers, the organizers, the engineers, and the workers generally have in any degree been actuated by private gain; nor do I believe that private gain is the controlling force that sends men pioneering in any lines of endeavor. The Chief Engineer of the American Telephone & Telegraph Company talks to me about that great accomplishment of establishing commercial telephone communication between Boston and Denver, not with the boast that attends success in private gains, but with the glowing enthusiasm that is the possession of the man with the great mind, the output of which proves a boon to all mankind.

Nor does one observe the microbe of private gain at work in the system of the great organizer who finds the funds with which to bring to the public the benefits of the great work of the inventors; the profits that come from the operation of these wonderful lines are anything but startling in amount.

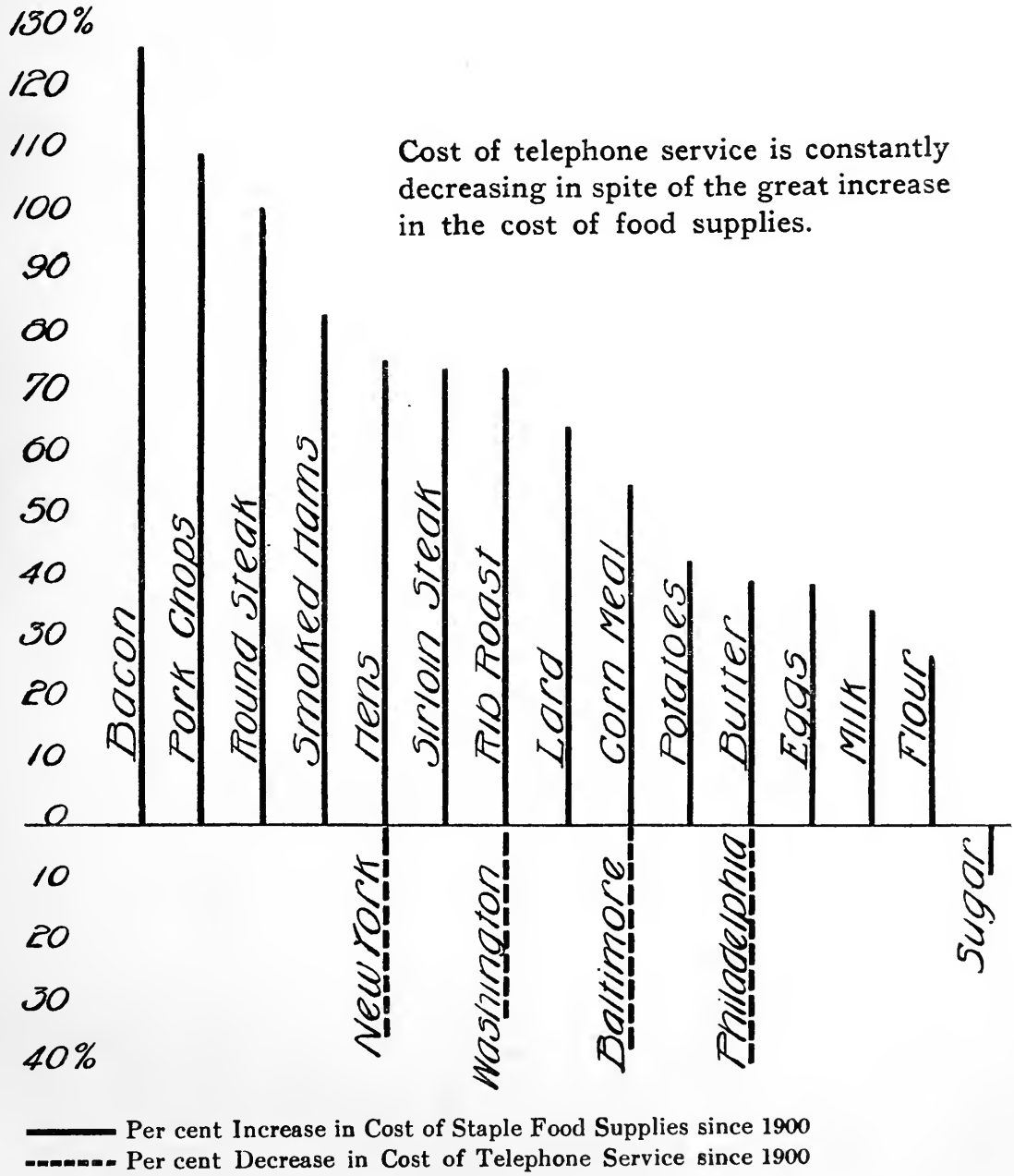
### **CONCLUSION.**

If the government has a right to own telegraphs and telephones, it has a right, so says the "Washington Post," to own railroads, steamship lines, aeroplane lines, and every other medium of interstate communication and intelligence existing or to be invented. If it is the duty of the government to acquire the telegraph, it is its duty to acquire the railroads, and it should not shrink from its duty. There is no half-way station. The policy is either right or wrong, and it must be fought out to the end. Before any



American citizen commits himself to this most momentous change in the structure of his government, let him study well the safeguards provided for the perpetuity of the nation, and consider whether they should be discarded. Let him be prepared to abolish the States and set up an absolutism at Washington, if he should decide to substitute "expediency" for eternal principles.

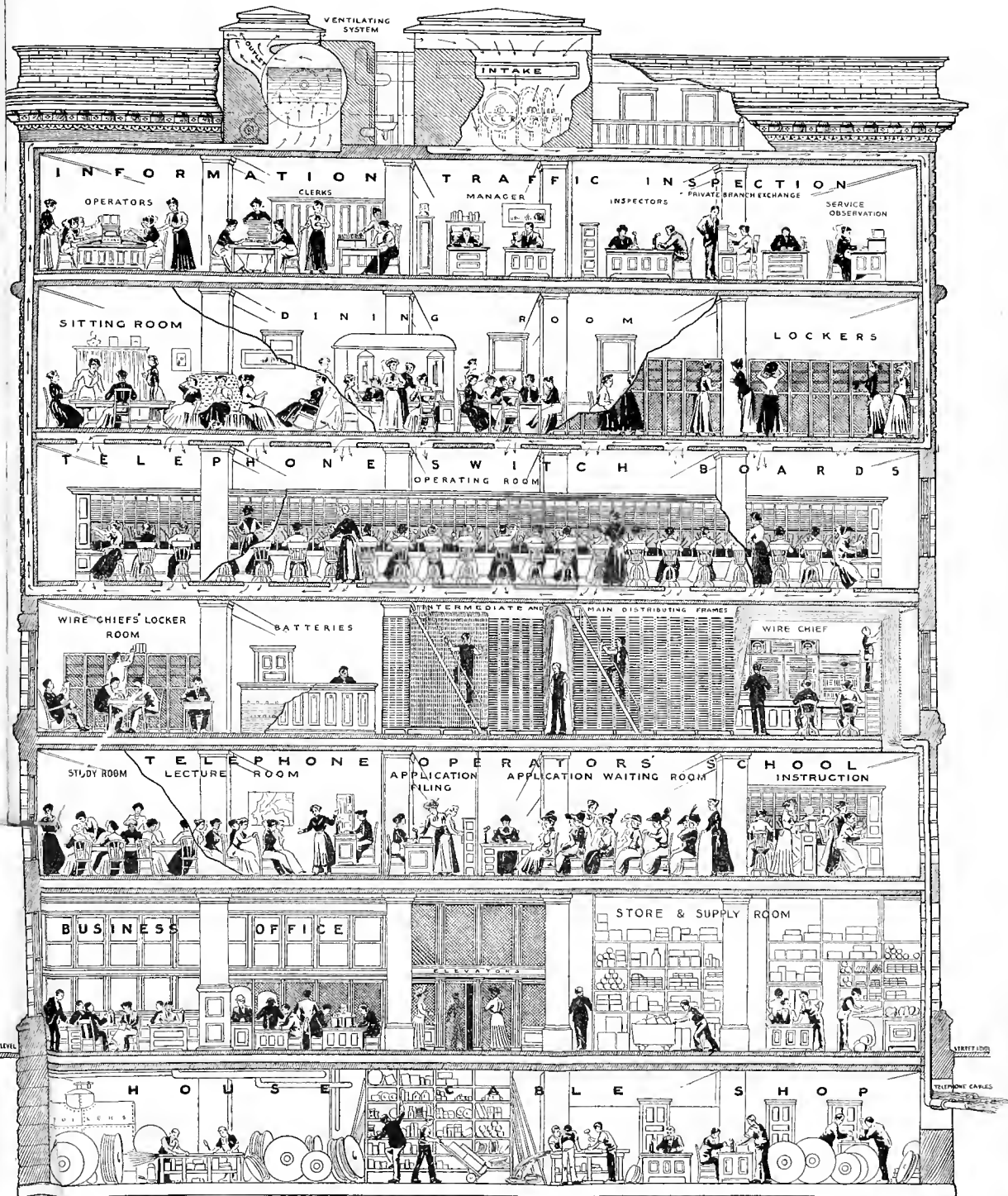
**COST OF TELEPHONE SERVICE COMPARED WITH COST OF FOOD SUPPLIES.**



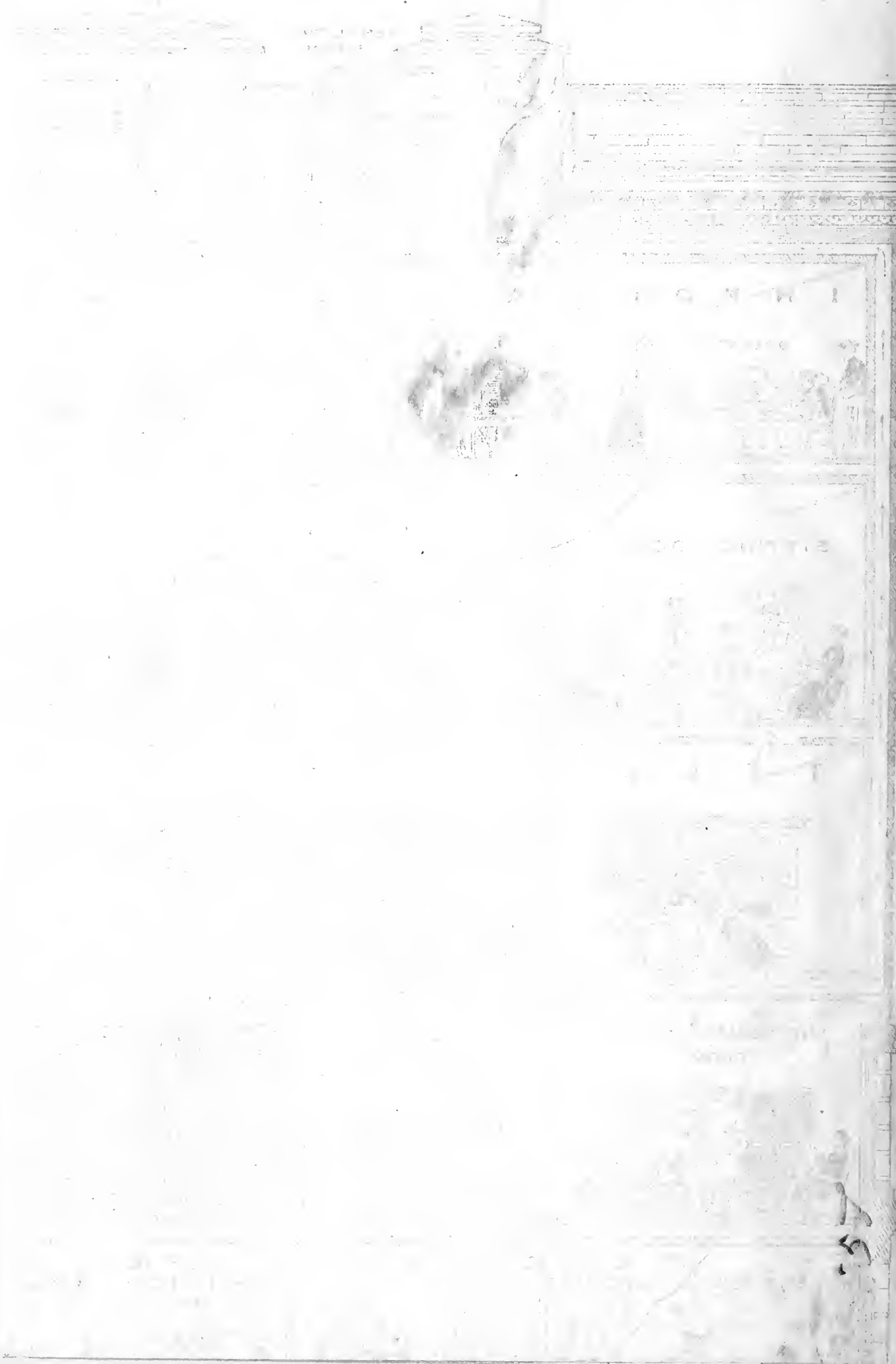
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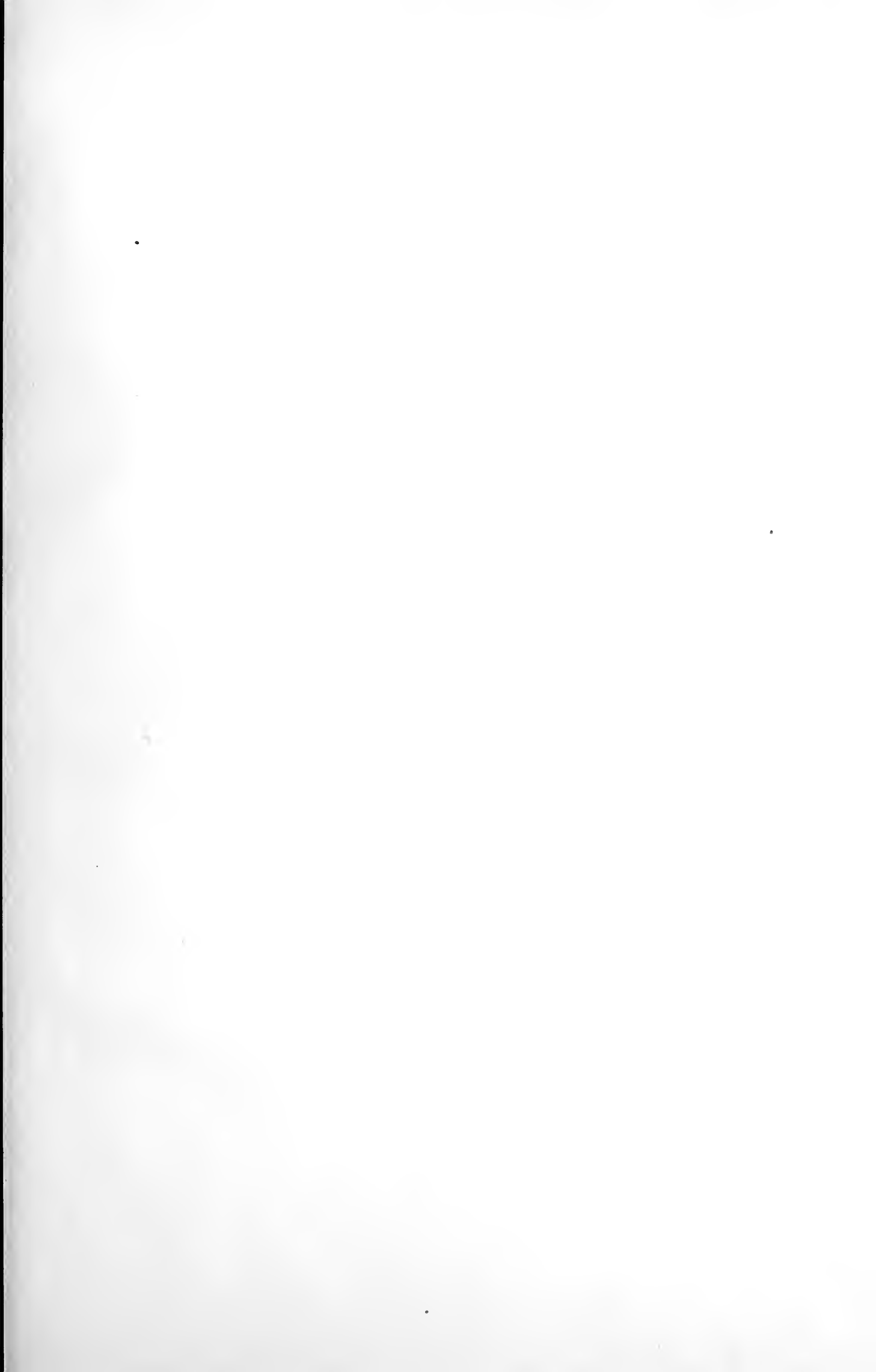
SECTIONAL VIEW OF A  
TELEPHONE BUILDING















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